

Maurice Hinchey NEWS

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\$27 MILLION LOAN IS A MAJOR BOON TO HUDSON VALLEY ECONOMY

LAKE KATRINE - U.S. Representative Maurice Hinchey (NY-26) today joined Hudson Valley business leaders and economic development specialists to discuss the impact of a \$27 million loan guarantee made to Hudson Valley DataNet for the expansion of broadband service. The approval of the loan guarantee by the U.S. Department of Agriculture's Rural Utilities Service (RUS) was made as a result of a measure Hinchey wrote into a spending bill in November.

"Expanded access to broadband is the most important component of the Hudson Valley's future economic development," said Hinchey. "In order for that expansion to happen quickly it was necessary to change existing regulations. I am thrilled that I was able to make that change take place and that Hudson Valley DataNet will now be able to implement broadband to all areas."

In 2000, Congress established a Broadband Loan Pilot Program as a means to stimulate economic development in rural areas. DataNet qualified for a loan through this pilot program in 2001. However, regulations limiting the size of communities that can benefit from RUS programs had constrained DataNet's ability to implement broadband to all areas.

This limitation was felt more acutely when the September 11 terrorist attacks on New York City created a great demand for both temporary and permanent office space and for utilities services for the displaced companies. Hinchey offered an amendment to the Agriculture Appropriations bill that waived the population limits for existing borrowers within 100 miles of New York City for any RUS project that assists in the recovery effort. This waiver allowed DataNet to apply for additional funding to continue its efforts to quickly bring all key Hudson Valley relocation sites onto its broadband fiber optic network. It also allowed DataNet to apply for more flexibility with its existing loan.

The amendment was accepted by the conference committee that finalized the bill. Hinchey is a member of the Agriculture Subcommittee of the Appropriations Committee and served on the conference committee as well. DataNet applied for the loan guarantee once the bill was signed into law. Hinchey wrote to the Rural Utilities Service urging quick approval. Last month Hinchey received word from the office of the Secretary of Agriculture that the application was approved.